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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92062050
Party	Defendant Vend Limited
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Date	08/08/2016
Attachments	Vend - Motion to Suspend.pdf(269821 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>KAMAL KARMAKAR,</p> <p style="text-align: center;">Petitioner</p> <p style="text-align: center;">v.</p> <p>VEND LIMITED,</p> <p style="text-align: center;">Respondent.</p>	<p>Cancellation No. 92062050</p> <p>Registration No. 4657862</p> <p>Mark: </p> <p>Registered: Dec. 16, 2014</p>
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**MOTION FOR SUSPENSION OF ALL PROCEEDINGS  
PENDING DISPOSITION OF CIVIL ACTION**



Pursuant to Trademark Rule 2.117, 37 C.F.R. § 2.117(a), and TBMP Section 510.02(a), Vend Limited (“Respondent” or “Vend”) respectfully requests suspension of the Cancellation proceeding, filed by Kamal Karmakar (“Petitioner”) against Vend’s Registration No. 4657862 for the mark  (the “Cancellation”), pending disposition of a civil action involving Petitioner’s U.S. operating entity and licensee, Vend and Vend’s U.S. operating entity, and the marks and registrations pleaded in this case.

The Board has the power to suspend proceedings in favor of a pending civil action pursuant to Trademark Rule 2.117(a), which provides:

Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.

37 C.F.R. § 2.117(a). Similarly, TBMP Section 510.02(a) provides that, “[o]rdinarily, the Board will suspend proceedings in the case before it if the final determination of the

other proceeding may have a bearing on the issues before the Board.” Indeed, the Board routinely exercises this power “in the interest of judicial economy and consistent with [its] inherent authority to regulate its own proceedings to avoid duplicating the effort of the court and the possibility of reaching an inconsistent conclusion.” *Soc’y of Mex. Am. Eng’rs & Scientists, Inc. v. GVR Pub. Relations Agency, Inc.*, Opp. No. 91121723, 2002 WL 31488947, at \*4 (TTAB Nov. 6, 2001).

In this case, Petitioner’s U.S.-based company and licensee, Citixsys Americas, Inc. (Citixsys), has filed a civil action against Respondent and Respondent’s U.S. affiliate, Vend, Inc., Civil Action No., 16-04263-HRL (the “Civil Action”), filed on July 28, 2016, in the U.S. District Court for the Northern District of California, which is still pending. In the Civil Action, Petitioner, through Citixsys, asserts trademark infringement and false designation of origin under the Lanham Act, among other claims, against Respondent and Vend, Inc.’s use and registration of the trademark . Citixsys also seeks cancellation of Registration No. 4657862 for the mark . In support of its claims in both the Civil Action and this Cancellation, Petitioner and Citixsys allege prior use and registration of marks, including U.S. Registration No. 4635313 for iVEND POS, Registration No. 4635314 for iVEND RETAIL, and Application Serial Nos. 86820933 and 86542141 for iVEND. (See e.g., Civil Action Complaint ¶¶ 46-49 and Cancellation ¶¶ 2-5). A copy of the Civil Action Complaint is attached as Exhibit A.

Respondent’s mark and registration in the instant Cancellation are subject to Citixsys’ (i.e. Petitioner’s U.S. company and licensee) claims for cancellation and infringement in the Civil Action. Thus, any decision by the District Court in the Civil Action concerning Petitioner’s claims and/or Respondent’s mark and registration may

have a bearing on this case. *Whopper-Burger, Inc. v. Burger King Corp.*, 171 USPQ 805, 806-07 (TTAB 1971) (suspending TTAB cancellation proceeding where, *inter alia*, relief sought in federal district court included an order directing Office to cancel registration involved in cancellation proceeding).

For the reasons stated above, Respondent respectfully requests that the Board suspend all proceedings in the Cancellation, including all remaining deadlines, pending disposition of the Civil Action.

Respectfully Submitted,

Dated: August 8, 2016

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**CERTIFICATE OF SERVICE**

I hereby certify that on August 8, 2016, a true and correct copy of the foregoing  
MOTION FOR SUSPENSION OF ALL PROCEEDINGS PENDING DISPOSITION OF  
CIVIL ACTION was served by United States first-class mail, postage prepaid, on  
Petitioner's at the following address of record:

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# **EXHIBIT A**

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*Attorneys for Plaintiff CitiXsys Americas Inc.*

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

CITIXSYS AMERICAS INC.,  
  
Plaintiffs,  
  
v.  
  
VEND LIMITED; and VEND, INC.,  
  
Defendants.

Case No.

Hon.  
Courtroom

**COMPLAINT FOR**

**(1) Trademark Infringement (Lanham Act § 32, 15 U.S.C. § 1114)**

**(2) Trademark Infringement, False Designation of Origin, and Unfair Competition (Lanham Act § 43(a), 15 U.S.C. § 1125(a))**

**(3) Trademark Infringement (Common Law)**

**(4) Unfair Competition (Cal. Bus. & Prof. Code § 172000)**

**DEMAND FOR JURY TRIAL**

1 Plaintiff CitiXsys Americas Inc. (“Plaintiff”), by and through its attorneys, as and for its  
2 Complaint against Defendants Vend Limited and Vend, Inc. (together, “Defendants”), alleges  
3 and states as follows:

4 **The Nature of the Action**

5 1. This is an action for trademark infringement, false designation of origin, and  
6 unfair competition under federal and state law to prevent Defendants from willfully infringing  
7 Plaintiff’s established iVEND trademarks and service marks for software products and services.

8 2. Since at least 2004, Plaintiff has been continuously using “iVEND” as a name and  
9 a mark in connection with an ever-expanding suite of software and related technical support  
10 services. Plaintiff’s products and services make it easier for retail and wholesale businesses of  
11 all sizes, in all industries, to attract customers, facilitate sales, process payments, manage  
12 inventory, exploit online markets, and perform many other tasks.

13 3. The industry now recognizes Plaintiff as a global-leader and a technological  
14 innovator.

15 4. As a result, Plaintiff has amassed a tremendous amount of goodwill and a strong,  
16 positive reputation under its distinctive iVEND marks.

17 5. Defendants, which did not exist before 2010, recently started competing with  
18 Plaintiff in the United States. Defendants offer identical software products and services to the  
19 very same class of consumers as Plaintiff under near-identical mark.

20 6. That mark, VEND, differs from Plaintiff’s iVEND mark by one letter.

21 7. The adoption and use of this mark for identical software products and services is  
22 infringing.

23 8. Defendant’s conduct is highly likely to cause, and no doubt has already caused,  
24 widespread consumer confusion. It is also causing economic damage and irreparable harm to  
25 Plaintiff.



9. Therefore, Plaintiff brings the instant lawsuit for:

A. Trademark infringement, in violation of Section 32 of the Lanham Act (15 U.S.C. § 1114);

B. Trademark infringement, false designation of origin, and unfair competition, in violation of Section 43 of the Lanham Act (15 U.S.C. § 1125(a));

C. Trademark infringement under California common law; and

D. Unfair competition under California state law (Cal. Bus. & Prof. Code § 172000).

**The Parties**

**The Plaintiff**

10. Plaintiff CitiXsys is a Delaware corporation with an office and principal place of business at 1230 Avenue of the Americas, 7<sup>th</sup> Floor, New York, New York 10020. Since at least 2004, Plaintiff has been in the business of developing, advertising, marketing, and selling retail and wholesale software solutions to retail and wholesale vendors. Plaintiff uses the iVEND marks under license with Plaintiff's CEO, Kamal Karmakar.

11. Mr. Karmakar is the owner of the iVEND® registrations (defined herein) and pending applications and Plaintiff has the right to enforce those registrations and all associated common-law rights against infringers.

**The Defendants**

12. Upon information and belief, Defendant Vend Limited is a New Zealand limited liability company with an address at 12 Heather Street, Parnell, Auckland, New Zealand.

13. Defendant Vend Inc. is a Delaware corporation with an office and principal place of business at 185 Clara Street, Suite 101A, San Francisco, CA 94107.

14. Upon information and belief, Defendant Vend Limited established Defendant Vend, Inc. in Delaware in 2011 to be its operating affiliate in the United States.

15. Upon information and belief, Defendants jointly offer software products and services under the infringing VEND mark in the United States.

16. Upon information and belief, Defendants are commonly owned and/or controlled,

and the acts or omissions of one are fairly attributed to the other.

### **Jurisdiction and Venue**

17. This Court has subject matter jurisdiction over Plaintiff's Lanham Act claims against Defendants pursuant to 15 U.S.C. § 1121, and 28 U.S.C. §§ 1331 and 1338(a).

18. This Court has subject matter jurisdiction over Plaintiff's California law claims against Defendants under 28 U.S.C. § 1338(b) and 28 U.S.C. § 1367(a).

19. This Court has personal jurisdiction over each Defendant, because each Defendant has had continuous, systematic, and substantial contacts within the State of California, including doing business in California and having a place of business within California.

20. Defendant Vend, Inc. is registered to do business in California and has appointed an agent for service of process here.

21. Venue in this Judicial District is also proper, pursuant to 28 U.S.C. § 1391(b). Without limitation, Defendants are domiciled here and/or a substantial portion of the events giving rise to Plaintiff's trademark infringement, false designation of origin, and unfair competition claims occurred here, within this Judicial District:

- A. Defendants jointly operate the interactive website [www.vendhq.com](http://www.vendhq.com), which is accessible to and directed in part at California consumers, and which displays the infringing VEND marks used and advertised in connection with software products and services.
- B. Defendants have purposefully directed other forms of advertising and marketing materials into the state of California, to California consumers, under the infringing VEND marks.
- C. All of Defendants' U.S. activities have their locus point in San Francisco, California, within this Judicial District, because Defendant Vend, Inc. is headquartered here, and Vend, Inc. undertakes the Defendants U.S. operations.
- D. Both Defendants target retail and wholesale customers in the state of California, in this Judicial District.

E. Plaintiff also targets retail and wholesale customers in the state of California, in this Judicial District, and has been, is, and will continue to be damaged and harmed here.

### **Intradistrict Assignment**

22. This action should be assigned to the San Francisco Division, because this action arises in San Francisco County.

### **Factual Allegations**

#### **Plaintiff and its Software and Support Services**

23. Plaintiff is a world-leader in software solutions for retail and wholesale businesses.

24. Plaintiff's highly varied retail and wholesale customers come to Plaintiff seeking customizable, enterprise-level software products and services to help make important business decisions easier, more efficient, and more accurate.

25. These decisions run the gambit from how to attract new customers, to how to track and manage inventory; synchronize multiple physical locations with online locations; provide consistent shopping experiences across media; protect and safeguard confidential customer information; and establish and operate a secure e-commerce website.

26. Plaintiff's software and services also help retail and wholesale businesses forecast sales and financing needs, based on historical data. These forecasts, in turn, make business planning easier.

27. Plaintiff's software products and services are varied, and improve every day. Plaintiff offers and sells a suite of integrated point-of-sale ("POS") software and support services, which use both terminal workstations and mobile devices (such as smartphones and tablets) to support retail and wholesale operations. Using the POS software, employees of retail and wholesale businesses can log sales and track inventory anytime, anywhere.

28. Plaintiff's POS software is fully customizable and versatile. The software is compatible with Apple, Android, Microsoft, and other operating systems; integrates with other retail/wholesale software and hardware (*e.g.*, barcode scanners, printers, and cameras); works in

offline mode (to protect information and log sales in case of emergency); supports multiple transaction types in a single transaction; supports multi-currency transactions (*e.g.*, a debit card transaction with cash back); processes customer returns and exchanges; issues gift cards; tracks loyalty rewards; and has full cash management functionality.

29. A brochure more fully describing Plaintiff's POS software is attached hereto as Exhibit A and incorporated by reference herein.

30. Plaintiff also offers e-commerce software and support services.

31. Plaintiff's e-commerce software products let retail and wholesale customers design, create, operate, and optimize their own PCI-compliant websites using their own URL, or multiple URLs. The resulting websites are fully searchable, fully customizable, and also integrated with Plaintiff's POS software—sales made online are reflected at brick-and-mortar outlets, and vice versa.

32. A brochure describing Plaintiff's e-commerce software is attached hereto as Exhibit B and incorporated by reference herein.

33. Plaintiff also offers other software products services. For example, Plaintiff markets and sells customer loyalty "points and rewards" applications, described at Exhibit C hereto and incorporated by reference herein.

34. Plaintiff's software and applications are integrated with inventory reporting and analytics functions, which enable better forecasting.

35. A brochure describing Plaintiff's reporting and analytics functions is attached hereto as Exhibit D and incorporated by reference herein.

36. All of Plaintiff's software products and services are integrated, creating an enterprise-level solution for daily operational needs.

37. Today, Plaintiff's software products and services are in use by over 1,000 companies in over 45 countries, including the United States.

38. Plaintiff is considered a global leader in its field and has won numerous awards for technological innovation.

39. As a result of its efforts and successes, Plaintiff has developed a strong, positive

reputation as a supplier of high-quality software products and related support services.

40. Plaintiff's hard-earned reputation and tremendous goodwill among consumers enable it to continuously expand its product and service offerings. As a result, over time, Plaintiff has become known as a "one-stop-shop" for retailers' and wholesalers' software needs.

#### Plaintiff's iVend Trademarks and Service Marks

41. To market and promote itself and its products and services, Plaintiff adopted, and has been continuously using in commerce, since at least February 2004, several "iVEND" marks in connection with the goods and services detailed above.

42. Each of these marks consists of a first component, "i", which refers to software integration and the Internet; and a second component, "VEND", which is arbitrary with respect to software and support services.

43. The term "VEND" is the dominant portion of Plaintiff's iVEND marks.

44. The term "VEND" also makes the longest-lasting commercial impression.

45. To protect its common-law rights, Plaintiff secured federal trademark registrations on the Principal Register for the mark iVEND plus additional descriptive or generic terms.

46. Plaintiff has secured U.S. Trademark Registration No. 4,635,313 for **iVend POS** ("POS" disclaimed) and U.S. Trademark Registration No. 4,635,314 for **iVend Retail** ("Retail" disclaimed) for:

Computer operating system programs and utility software; computer application software for wireless telecommunications for use with wireless devices; computer software to enable uploading, downloading, accessing, posting, displaying, tagging, blogging, streaming, linking, sharing or otherwise providing electronic media or information via computer and communication networks; software for allowing communication and interaction between phones, mobile devices, televisions, video game consoles, media players, computers, digital media hubs, and audiovisual devices; computer software for use by computer network administrators to deploy and manage application software and network server software; computer network server software for managing user content on computer networks and global computer networks; computer software for managing secure communications over computer networks and global computer networks; computer software for developing, managing and operating intranet sites; computer network operating software and utility software; computer software development tools for network servers and applications; computer software for inventorying and monitoring computer hardware and software assets and use within an organization; computer application programs and operating system programs for use with communications servers; computer programs for managing communications and data exchange between computers and electronic devices; operating systems software for use in playing electronic games; computer hardware and peripherals; computer keyboards; computer mice and wireless computer

mice; wireless communications devices, namely, mobile phones, cellular telephones, personal digital assistants, and hand-held computers. hardware for telecommunications for connecting devices via in-home phone and electrical wiring, namely, computer networks hubs, computer servers, set-top boxes, computer switches and computer routers designed to provide in-home voice over internet protocol (VOIP) communications; computer and video game systems devices, namely, electronic sensor devices, cameras, projectors, headphones, and microphones,

in Class 9 (together, the “iVEND® Registrations”).

47. Because of the iVEND® Registrations, Plaintiff has at least a *prima facie* right to exclusively use the marks of these registrations for the registered products in the United States.

48. Plaintiff has also applied to register the mark iVEND, alone, for the foregoing goods in Class 9 (*see* U.S. Application Serial No. 86/820,933), and the following services in Classes 37 and 42:

A. “Technical support services, namely, troubleshooting in the nature of the repair of computer hardware” (Class 37); and

B. “Technical support services, namely, troubleshooting of computer software problems; computer programming services; computer consultancy” (Class 42);

(*see* U.S. Application Serial No. 86/542,141).

49. Plaintiff has been continuously using the marks of both applications in commerce since as early as February 2004. As a result, even before filing the applications, Plaintiff had strong common-law rights in and to the mark iVEND.

50. Plaintiff’s common-law rights in the iVEND marks derive from, without limitation: (i) using the term iVEND in prominent locations, in a trademark sense, in the computer/mobile device POS, e-commerce, customer loyalty, and data tracking and analytics software, and associated icons and other graphics; (ii) investing heavily in associated advertising, marketing, and promotional materials, which also use the iVEND marks; and (iii) with each new

1 product or service offering, launching the product or service under a mark consisting either  
 2 solely of iVEND or iVEND plus another generic or descriptive word. (In all such marks,  
 3 iVEND is the dominant component.)

4 51. Plaintiff's common-law rights are also supported by the iVEND® Registrations,  
 5 which disclaim the additional descriptive terms "POS" and "Retail," and which are based on use  
 6 in commerce dating back over 10 years.

7 52. Plaintiff's rights grow stronger every day, as more and more consumers interact  
 8 with Plaintiff's mark in close connection with Plaintiff's retail and wholesale software.

9 Defendants' Confusingly Similar VEND Mark

10 53. In 2011, Defendants started offering software products and services to consumers  
 11 in the United States.

12 54. Before 2011, Defendants were not present in the United States, but had operations  
 13 in other countries like New Zealand. Even those operations post-date Plaintiff's offering of  
 14 goods and services in the United States.

15 55. Defendants chose to adopt the mark VEND, a mark that is highly similar to, and  
 16 very likely to be confused with, Plaintiff's iVEND marks.

17 56. Without limitation:

- 18 A. Both marks consist of the same four letters, V-E-N-D, in the same order.
- 19 B. The marks only differ in spelling by one letter—the letter "i" that appears  
 20 at the beginning of Plaintiff's mark.
- 21 C. The parties' marks sound and are pronounced the same.
- 22 D. The only difference in pronunciation between the mark VEND and the  
 23 mark iVEND is the sound created by the additional letter "i" at the  
 24 beginning of Plaintiff's mark that adds an additional syllable.

25 57. The additional letter "i" in Plaintiff's mark is not sufficient to distinguish the  
 26 parties' marks in sight, sound, or commercial impression.

27 58. Consumers are still very likely to focus on the dominant portion of both marks—  
 28 the term "VEND"—and become confused because VEND is the dominant component of both

parties' marks and the parties' software products and services are also highly similar, if not identical.

59. Defendants offer and sell customizable POS software that:

- A. is compatible with Apple, Android, Microsoft, and other operating systems;
- B. integrates with other retail-wholesale software and hardware devices;
- C. works in offline mode;
- D. supports multiple transaction types in a single transaction;
- E. supports multi-currency transactions;
- F. processes returns and exchanges;
- G. tracks loyalty rewards; and
- H. has full cash management functionality.

60. All of the foregoing features are also present in Plaintiff's POS software.

61. Upon information and belief, the parties' POS software also shares additional features and functions, and are geared towards the same retail and wholesale business.

62. Moreover, Defendants offer e-commerce software and support services.

63. Defendants' e-commerce products and services allow businesses to design, create, operate, and optimize PCI-compliant websites using their own URLs, or multiple URLs.

64. Defendants also offer customer loyalty applications and sales and inventory reporting and analytics software functionality.

65. Defendants' customer loyalty and reporting and analytics software add-ons are integrated with Defendants' POS and e-commerce software.

66. Plaintiff's and Defendants' products and services are also marketed and sold through some of the same trade channels.

67. For example, both Plaintiff and Defendants advertise, market, promote and sell their respective POS, e-commerce, and other software products and services online.

68. Both parties use a website that features the respective VEND marks in a



1 prominent position, in the domain name, and in the URL, and consumers searching for either  
 2 parties' products or services could enter "VEND" in a search engine and access both parties'  
 3 sites. Under these circumstances, it is highly likely that consumer confusion will occur and that  
 4 Plaintiff will suffer economic damages and damage to its hard-earned reputation and goodwill.

5 Defendants' Adoption and Use of VEND are Willful

6 69. As set forth above, Plaintiffs started using their iVEND marks in commerce for  
 7 software products and services as early as February 2004.

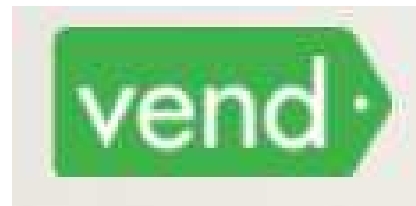
8 70. Defendants, meanwhile, did not enter the United States until 2011, and when they  
 9 did so, they entered using the VEND mark.

10 71. Upon information and belief, Defendants did not arbitrarily select the mark  
 11 VEND for use in the United States.

12 72. Upon information and belief, when Defendants selected the VEND mark, they did  
 13 so after careful consideration of other potential marks.

14 73. Upon information and belief, any clearance search or other risk analysis by  
 15 Defendants in the relevant international classes in the United States would have uncovered the  
 16 Plaintiff's mark, iVEND.

17 74. Upon information and belief, Defendants chose to adopt the mark VEND and the  
 18 VEND word and design marks (shown below), despite the fact that these marks contain the same  
 19 component, VEND, as Plaintiff's pre-existing, prior-registered iVEND marks.



27 75. Upon information and belief, Defendants knew when they adopted the VEND  
 28 marks for software products and services in the United States that Plaintiff was already using the

1 mark iVEND for software products and services.

2 76. Upon information and belief, Defendants also knew both parties' software  
3 products and services were geared towards retail and wholesale businesses.

4 77. Defendants applied to register the VEND word and design mark (above, at left)  
5 with the United States Patent and Trademark Office, even though they knew that Plaintiff was  
6 already using the mark iVEND for software products and services, and even though Plaintiff  
7 applied to register its own iVEND marks on the Federal Register.

8 78. Defendant adopted the VEND marks with full knowledge and the intent to  
9 "piggyback" on, and trade off of, Plaintiff's established marks, associated reputation, and  
10 goodwill.

11 79. At the very least, Defendants acted with willful blindness to the existence of a  
12 conflict with Plaintiff's iVEND® Registrations and common-law iVEND marks.

13 80. In view of the foregoing, Defendants' conduct is willful, as that term is defined in  
14 the Lanham Act and under California law.

15 Defendants' Activities Have Been Causing Irreparable Harm to Plaintiff

16 81. Plaintiff has been suffering, and is highly likely to continue suffering, economic  
17 damage and irreparable harm.

18 82. Plaintiff has been a leader in providing software products and services to retail  
19 and wholesale business in the United States. As a result its efforts, successes, and investment,  
20 Plaintiff's iVEND marks have become well-known and have amassed a high degree of goodwill.

21 83. Plaintiff, its software products and services, and the iVEND marks enjoy a strong,  
22 positive reputation among relevant consumers in the United States.

23 84. Consumers of Plaintiff's services, or software products and services for retailers  
24 and wholesalers in general, are likely to be confused into thinking that Defendants' products and  
25 services originate with Plaintiff, and vice versa, because of the parties' respective uses of the  
26 VEND and iVEND marks.

27 85. Thus, Plaintiff's reputation and the goodwill associated with its marks may be  
28 damaged and diluted in a way that is incalculable and unquantifiable.

86. Reputational damage, and damage or dilution to goodwill, can be accomplished instantaneously, but it can take months or years to repair, if it can be repaired at all.

87. If Plaintiff's reputation and goodwill suffer as a result of being unable to control the quality of services offered under marks associated with its name, then it may no longer be able to attract new customers or continued business from existing customers.

88. Likewise, Plaintiff may be unable to continue to innovate in the retail and wholesale software products and services industry, as it has been doing for years.

89. The foregoing constitutes irreparable harm to Plaintiff and warrants permanent injunctive relief.

#### The Pending T.T.A.B. Proceeding

90. Before filing this lawsuit, Plaintiff filed a Petition to Cancel the supplemental registration of Defendants' VEND word and design mark (shown above). *See* T.T.A.B. Cancellation No. 92062050.

91. Plaintiff petitioned to cancel Defendants' supplemental registration on the basis of prior federal registrations and prior use in commerce of the iVEND marks.

92. Through the cancellation proceeding, which is still pending, Plaintiff desired to void the registration of Defendant's VEND word and design mark, and preserve its rights in the iVEND® Registrations. Plaintiff also hoped to obtain a settlement agreement that would foreclose Defendants from using infringing marks in commerce in the United States. The achievement of the foregoing goals is also a key component of the instant lawsuit.

#### FIRST CAUSE OF ACTION

##### **Trademark Infringement – Lanham Act, Section 32 (15 U.S.C. § 1114)**

93. Plaintiff repeats and re-alleges the allegations set forth above as though fully set forth herein.

94. By its conduct described above, Defendants have been infringing Plaintiff's rights in and to the registered iVEND marks, which Plaintiff has continuously used in commerce in the United States in connection with software products and services for over a decade.

95. At all relevant times, Defendants were aware of Plaintiff's prior rights in and to the registered iVEND marks, as a result of the iVEND® Registrations, and of the confusingly similar nature of Defendants' own VEND marks, which they knowingly adopted and have been using for related and/or competing software products and services.

96. At the very least, Defendants acted with willful blindness or reckless indifference to the conflict posed by their infringing VEND marks.

97. Defendants' use of the VEND marks in connection with software products and services is highly likely to create consumer confusion and deception in the marketplace—especially among the retail and wholesale businesses that use Plaintiff's and/or Defendants' software products and services.

98. As a result of the foregoing, Plaintiff has been, is, and will continue to be irreparably harmed—that is, unless Defendants are enjoined and restrained by this Court.

99. Plaintiff has no adequate remedy at law because, without limitation, (i) the iVEND marks are unique and valuable property that have no readily ascertainable market value; (ii) Defendants' infringement constitutes harm to Plaintiff, such that Plaintiff could not be made whole solely by any monetary reward; (iii) if Defendants' infringement is allowed to continue, the public will become further confused, mistaken, or deceived as to the source and origin of the parties' services; and (iv) Defendants' conduct and the resulting damage to Plaintiff is ongoing.

100. Therefore, Plaintiff is entitled to appropriate damages for trademark infringement and an injunction prohibiting Defendants from using marks containing the term VEND for software products and services in the United States. Plaintiff is further entitled to enhanced damages and the costs of this action, or, at Plaintiff's option, statutory damages pursuant to 15 U.S.C. § 1117(c).

## **SECOND CAUSE OF ACTION**

### **Trademark Infringement, False Designation of Origin, and Unfair Competition – Lanham Act, Section 43(a) (15 U.S.C. § 1125(a))**

101. Plaintiff repeats and re-alleges the allegations set forth above as though fully set forth herein.

1           102. Plaintiff advertises, markets, and promotes its established software products and  
2 services under the well-known and equally established iVEND marks. Such iVEND marks are  
3 the means by which consumers distinguish Plaintiff's products and services from the products  
4 and services of others.

5           103. Defendant's conduct described above infringes Plaintiff's common-law rights in  
6 and to the iVEND marks for software products and services, all of which have been continuously  
7 used by Plaintiff for many years, and in any event, before Defendants began using their VEND  
8 marks for any services or filed any applications to register them with the United States Patent  
9 and Trademark Office.

10           104. Furthermore, Defendants' use of the mark VEND for software products and  
11 services is a false designation of origin that is likely to cause confusion, to cause mistake, and/or  
12 to deceive as to (a) the affiliation, connection, or association of Plaintiff and Defendant, and/or  
13 (b) the origin, sponsorship, or approval of Defendants' products and services by Plaintiff.

14           105. At all relevant times, Defendants were aware of Plaintiff's prior rights in and to  
15 the iVEND marks, and of the confusingly similar nature of their VEND marks, and of the  
16 likelihood that consumers would become confused—not only with regard to source and origin—  
17 but of the affiliation, connection, or association of the parties, or of Plaintiff's approval or  
18 sponsorship of Defendants' products and services.

19           106. At the very least, Defendants acted with willful blindness or reckless indifference  
20 to the fact that consumers would become confused between Plaintiff's iVEND marks and  
21 Defendants' VEND marks, or believe there is an affiliation, connection, or association of the  
22 parties, when there is not, or believe that Plaintiff approved or sponsored Defendants' products  
23 or services, when Plaintiff did not.

24           107. As a result of the foregoing, Plaintiff has been, is, and will continue to be  
25 economically damaged and irreparably harmed—that is, unless Defendant is enjoined and  
26 restrained by this Court.

27           108. Plaintiff has no adequate remedy at law because (i) the iVEND marks are unique  
28 and valuable property that have no readily determinable market value; (ii) Defendants'

1 infringement constitutes harm to Plaintiff, such that Plaintiff could not be made whole by any  
 2 monetary award; (iii) if Defendants' willful infringement is allowed to continue, the public will  
 3 become further confused, mistaken, or deceived, as to the source, origin, affiliation, connection,  
 4 association, approval, and/or sponsorship of the parties and their respective products and  
 5 services; and (iv) Defendants' willful misconduct and the damage to Plaintiff is ongoing.

6 109. Thus, Plaintiff is entitled to damages for trademark infringement, false  
 7 designation of origin, and unfair competition, and an injunction prohibiting Defendants from  
 8 using VEND marks for software products and services in the United States.

### 9 **THIRD CAUSE OF ACTION**

#### 10 **Cancellation of Defendants' VEND Word and Design Mark Registration on the** 11 **Supplemental Register (15 U.S.C. § 1120)**

12 110. Plaintiff repeats and re-alleges the allegations set forth above as though fully set  
 13 forth herein.

14 111. As set forth above, Plaintiff owns prior common-law rights and federal  
 15 registrations on the Principal Register for marks consisting of iVEND and, in some cases,  
 16 additional descriptive or generic terms. These ownership rights predate Defendants' use of the  
 17 confusingly similar VEND marks. Defendant, therefore, is not entitled to registration of its  
 18 VEND word and design mark on the federal register, pursuant to the Trademark Act, Section  
 19 2(d).

20 112. The registration of Defendants' VEND word and design mark would cause  
 21 damage and harm to Plaintiff because, without limitation, registration gives Defendant at least a  
 22 *prima face* right to use the registered marks, and thereby, continue its willful trademark  
 23 infringement of Plaintiff's iVEND marks.

24 113. Plaintiff respectfully requests that this Court issue an order pursuant to the  
 25 Lanham Act (i) determining that Defendants' registered VEND word and design mark cannot  
 26 exist on the Supplemental Register; (ii) certifying the order cancelling the registration upon the  
 27 records of the U.S. Patent and Trademark Office; and (iii) granting Plaintiff such other and  
 28 further relief that is just and proper, including but not limited to recovery of all damages Plaintiff

has sustained, is sustaining, or will sustain, and all gains, profits, and advantages obtained by Defendants' as a result of their registration of the VEND word and design mark on the federal register, in an amount not yet known but to be determined at trial, and the costs of this action.

#### **FOURTH CAUSE OF ACTION**

##### **Trademark Infringement – California Common Law**

114. Plaintiff repeats and re-alleges the allegations set forth above as though fully set forth herein.

115. Since at least February 2004, Plaintiff has been continuously using its iVEND marks to identify its software products and services in California. The relevant consuming market of California consumers widely recognizes the iVEND marks as designating products and services sold by Plaintiff. The relevant consuming public in California also recognizes the iVEND marks as exclusively designating products and services sold by Plaintiff. Thus, Plaintiff has common-law trademark rights in the iVEND marks under California law.

116. Defendants' unlawful activities in the state of California and/or directed at California consumers has caused Plaintiff irreparable injury. Unless the Court enjoins such conduct, Plaintiff will continue its willful, infringing misconduct to the continued, irreparable injury of Plaintiff and its iVEND marks. This injury includes a reduction in the distinctiveness of the iVEND marks, as well as injury to Plaintiff's reputation that cannot be remedied through damages. Plaintiff has no adequate remedy at law.

117. In view of the foregoing, Plaintiff is entitled to a permanent injunction restraining and enjoining Defendants in the state of California from using in commerce the designation VEND, or any colorable imitation or variation thereof, for software products or services.

118. Plaintiff is also entitled to recover Defendants' profits, Plaintiff's ascertainable economic damages, and Plaintiff's costs of suit. Defendants' willful infringement of Plaintiff's common-law rights in California, without excuse or justification, entitles Plaintiff to its reasonable attorneys' fees.

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**FIFTH CAUSE OF ACTION**

**Unfair Competition** (Cal. Bus. & Prof. Code § 172000 and Common Law)

119. Plaintiff repeats and re-alleges the allegations set forth above as though fully set forth herein.

120. Defendants' acts, described above, constitute unlawful and/or unfair business practices in violation of the California Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code § 172000 *et seq.*

121. Defendants' acts are unlawful and/or unfair under the UCL because Defendants' use of the designation VEND in California is likely to confuse consumers as to the source, origin, or affiliation of Defendants' products and services; to misrepresent the nature, characteristics, and qualities of Defendants' software products and services; and/or to deceive or have a tendency to deceive a substantial segment of consumers into believing that Defendants' services have the exact nature, characteristics, and/or qualities of Plaintiff's products and services, and will be offered under the same, or at least an equivalently high-level of quality and customer service.

122. Defendants' acts of unfair competition described above have caused Plaintiff irreparable injury. Unless said conduct is enjoined by this Court, Defendants will continue their activities to the continued, irreparable injury of Plaintiff. Plaintiff has no adequate remedy at law.

123. Plaintiff is entitled to a permanent injunction restraining and enjoining Defendants from using in commerce the designation VEND, or any colorable imitation or variation thereof.

124. As a direct and proximate result of Defendants' statutory and common-law unfair competition, Defendants have been unjustly enriched in an amount not yet known, but to be determined at trial.

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**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully demands judgment against Defendants as follows:

1. For an order permanently enjoining and restraining Defendants, and their respective affiliates, subsidiaries, parents, and officers, directors, agents, servants, attorneys, employees, and assigns, and all persons in active concert or participation with either of them from, anywhere in the United States:
  - A. Using the term VEND as a mark in connection with any marketing, advertisement, promotion, offer to sell, or sale of any software products or services;
  - B. Imitating, copying, or making unauthorized use of Plaintiff's iVEND marks, including the mark iVEND alone, as all or part of any trademark or service mark, or as a trade name or business name;
  - C. Selling, offering for sale, advertising, marketing, promoting, or displaying any product or service bearing any unauthorized reproduction, copy, or colorable imitation of any iVEND mark;
  - D. Engaging in any other activity that is intended to, or has the effect of, infringing Plaintiff's rights in and to the iVEND marks, or that causes Defendants or any other person to unfairly compete with Plaintiff in any way; and
  - E. Forming or causing to be formed any corporation, partnership, association, or other entity for the purpose of engaging in any of the above activities, or for evading, avoiding, circumventing, or otherwise violating the prohibitions set forth above.
2. For judgment that:
  - A. Defendants have each violated Section 32 of the Lanham Act;
  - B. Defendants have each violated Section 43(a) of the Lanham Act;

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C. Defendants are not entitled to continue to have their VEND word and design mark registered on the federal register in the United States Patent and Trademark Office, and that such registrations are void and must be cancelled; and

D. At all times, each Defendant acted in bad faith, willfully, intentionally, and/or with reckless disregard to Plaintiff's rights.

3. For an order:

A. Cancelling U.S. Trademark Registration No. 4,657,862 for the VEND word and design mark; and

B. Directing the Director of the U.S. Patent and Trademark Office to make appropriate entry on the USPTO records that the above registration is void and cannot continue to exist.

4. For an order requiring Defendants to account for and pay over to Plaintiff all profits realized by their wrongful acts and directing that such profits be trebled, since Defendants' actions were willful.

5. For an order awarding Plaintiff its costs and reasonable attorneys' fees and investigative fees and expenses, together with prejudgment interest, and the costs of the pending TTAB cancellation proceeding.

6. For an order granting Plaintiff such other and further relief as this Court deems just and proper.

### **DEMAND FOR JURY TRIAL**

Plaintiff CitiXsys Americas Inc. respectfully demands a trial by jury on all claims and issues so triable.

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Dated: July 28, 2016

VENABLE LLP

By: /s/ Robert L. Meyerhoff

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